

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN**

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In re

CITY OF DETROIT, MICHIGAN,

Debtor.

)  
) **Chapter 9**  
)  
) **Case No. 13-53846**  
)  
) **Hon. Steven W. Rhodes**  
)

**STATEMENT OF CERTAIN OBJECTORS REGARDING LENGTH OF HEARING ON  
THE MOTION OF DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING THE  
ASSUMPTION OF THAT CERTAIN FORBEARANCE AND OPTIONAL  
TERMINATION AGREEMENT PURSUANT TO SECTION 365(a) OF THE  
BANKRUPTCY CODE, (II) APPROVING SUCH AGREEMENT PURSUANT TO RULE  
9019, AND (III) GRANTING RELATED RELIEF**

As announced at the last hearing, the Court indicated it would allow six (6) hours of hearing time on the Motion of the Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(a) of the Bankruptcy Code, (ii) Approving such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief (hereinafter, the “**Assumption Motion**”). On August 22, 2013, the Court referred the Assumption Motion to mediation. That mediation is scheduled to commence on Thursday, August 29, 2013. Also on August 22, 2013, the Court scheduled a status conference on the Assumption Motion for this Wednesday, August 28, 2013 at 10 a.m. (the “**Status Conference**”).

In the event the matters involving the Assumption Motion cannot be successfully mediated prior to the scheduled hearing date on September 9, 2013, the Objectors, identified below, file this Statement, in advance of the Status Conference, requesting that the Court grant additional hearing time for the orderly and full presentation of the evidence and arguments in connection with the Assumption Motion.

**The Objectors Need Additional Time for an Orderly and Full  
Presentation of the Evidence and Argument at the Hearing on the  
Assumption Motion**

1. Thirteen parties filed pleadings in connection with the Assumption Motion. Some parties filed limited objections and reservations of rights whereas other parties filed full-blown objections.<sup>1</sup>

2. The positions expressed by the Objectors in their respective filings are not aligned and, in some cases, are directly adverse. Nevertheless, the Objectors have been working cooperatively to insure that all Objectors have sufficient time to develop the facts they need for the hearing and to be able to present their case.

3. In discussing the presentation of the evidence and arguments, it became clear that it would be very difficult if not impossible for each of the Objectors to present its complete case (evidence and legal argument) within the three (3) hours allotted to all the Objectors without the risk that the presentations would be so truncated so as to (i) not be helpful to the Court, or (ii) not fully advocate each Objector's position.

4. The Objectors believe that before they can make legal argument on the propriety of the Assumption Motion, the Court must have a full record:

- a) that explains the swap transactions, the documents related to the swap transactions and the structure related to the Series 2006-B certificates of participation;
- b) that explains all the events surrounding the negotiation and execution of the Forbearance and Optional Termination Agreement; and

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<sup>1</sup> For ease of reference, all the parties that filed pleadings will be referred to collectively as the "Objectors."

- c) that explains the Debtor's intentions with respect to performance under the Forbearance and Optional Termination Agreement, including the sources of revenue to fund any termination payment and the Debtor's need for additional liquidity.

5. While the Objectors will be guided by the Court's instructions and prepare accordingly, the Objectors believe that it will take at least three hours to develop this record through the examination of witnesses and the presentation of documentary evidence. Consequently, the Objectors request an additional three hours to insure that the factual record is first fully developed in an orderly fashion that aids the Court and argument can be presented.

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Dated: August 27, 2013

Respectfully submitted,

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### **Certificate of Service**

I, Mark R. James, hereby certify that on August 27, 2013, I caused the foregoing *Statement of Certain Objectors Regarding Length of Hearing on the Motion of Debtor for Entry of an Order (i) Authorizing the Assumption of that Certain Forbearance and Optional Termination Agreement Pursuant to Section 365(A) of the Bankruptcy Code, (ii) Approving such Agreement Pursuant to Rule 9019, and (iii) Granting Related Relief* to be filed and served via the Court's electronic case filing and noticing system to all parties registered to receive electronic notices in this matter.

/s/ Mark R. James